

Peter Fingar



Executing on Innovation ... in the Cloud



Business Agility Deliberatorium Services Innovation
Big Data Cognitive Computer TRIZ
Next Generation CIO Unified Communications
Argumentation Systems
Cloud Computing Social Networks Strong Ties
Persona Management Systems
Sentiment Analysis Affective Computing
Business Innovation in the Cloud
Innovation Economy End of Management Listening Posts
Energy Maneuverability Services Avatars Weak Ties Bioteams
Process Innovation Human Interaction Management Collective Intelligence Augmented Reality
Capitalism Shared Value Fractal Company
Mobility Multi Agent Systems Cloud Brokers Open Leadership
IT Services Business Insights Predictive Analytics
Business Architecture SODA Loops
Surface Computing Intercloud Open Innovation

Agenda

<http://tagul.com/preview?id=60427@1&name=Cloud%201>

Rollover a term, right click and open in new Window

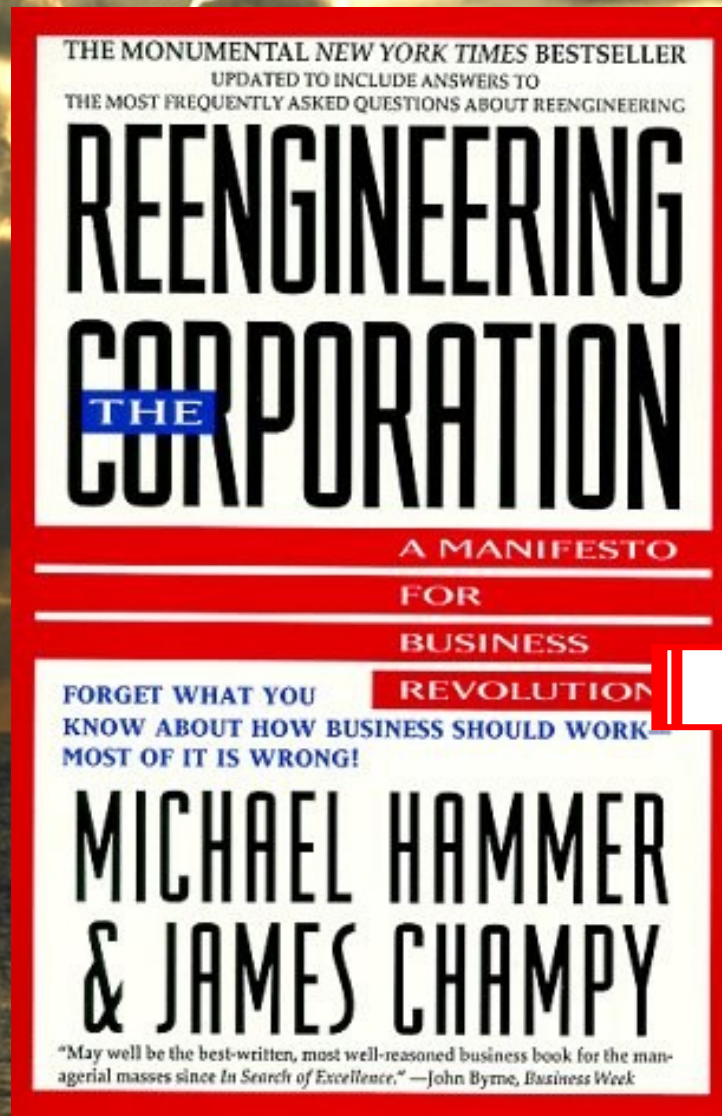
Business Process Management

the
third
wave

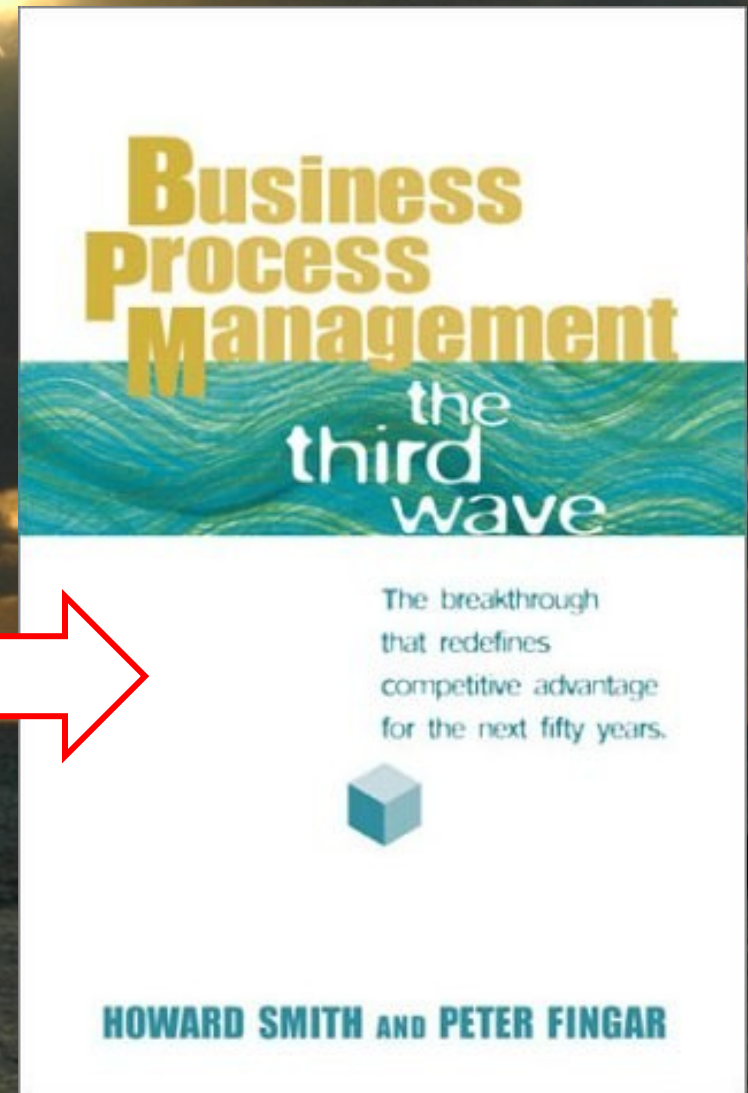


10 Years!!

HOWARD SMITH AND PETER FINGAR



1992



2002

Business Process Management

the
third
wave

The breakthrough
that redefines
competitive advantage
for the next fifty years.



HOWARD SMITH AND PETER FINGAR

2002

Cloud Brokers
Surface Computing
Affective Computing
Listening Posts
Business Architecture
Deliberatorium
Innovation Economy
TRIZ
Cognitive Computer
Business Agility
Social Networks
Human Interaction Management
Open Leadership
Business Insights
Multi-Agent Systems
Services Avatars
Argumentation Systems
Collective Intelligence
Fractal Company
Mobility
IT Services
Services Innovation
OODA Loops
Predictive Analytics
Sentiment Analysis
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Shared Value
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Weak Ties
Intercloud
Energy Maneuverability
End of Management
Augmented Reality
Cloud Computing
Capitalism 3.0
Next-Generation CIO
Unified Communications
Persona Management Systems
Open Innovation
Biotears

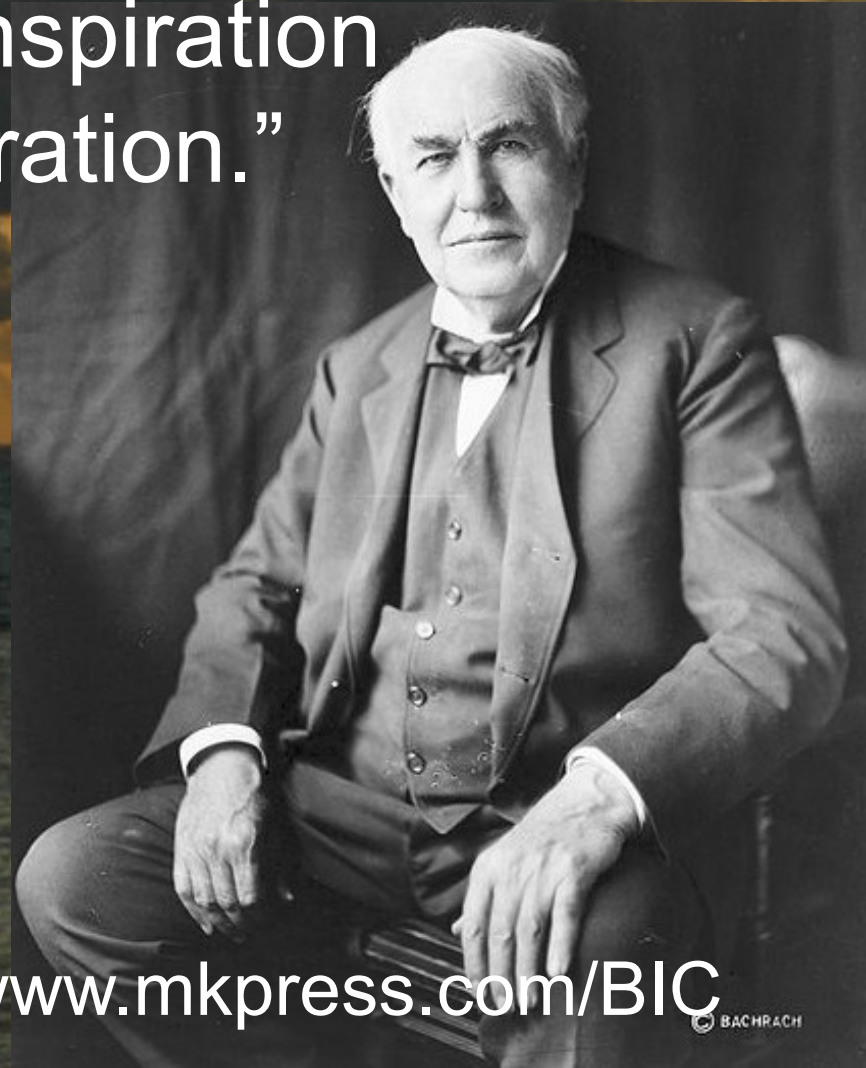
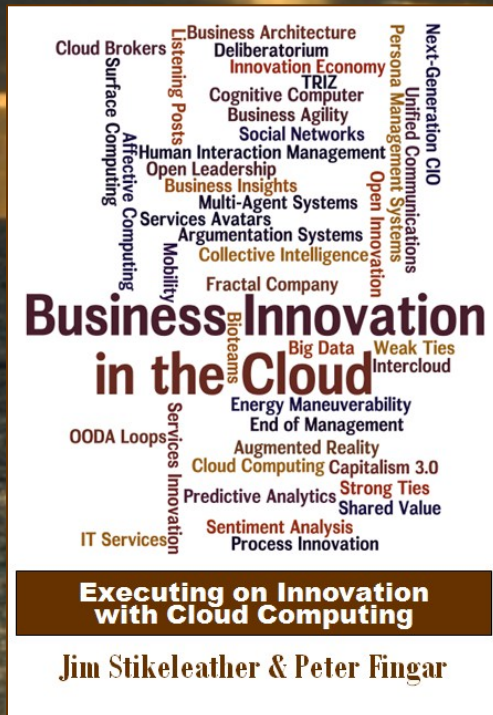
Business Innovation in the Cloud

**Executing on Innovation
with Cloud Computing**

Jim Stikeleather & Peter Fingar

2012

“Genius is 1 percent inspiration
and 99 percent perspiration.”



Doing the work of innovation! www.mkpress.com/BIC

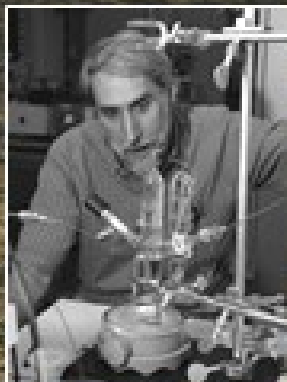
Social

Economic

CONTEXT

Environmental

Technological



Energy---Communications

The
Cloud

A dramatic sunset or sunrise over the ocean. The sky is filled with dark, heavy clouds, with bright sunlight breaking through in several places, creating rays of light. The sun is low on the horizon, casting a golden glow. In the foreground, the dark, choppy surface of the ocean is visible. In the distance, a small boat is visible on the right, and a dark, rocky island or headland is silhouetted against the horizon.

Change

"Change itself has changed — changed utterly!"



Besse Cooper- 8 years old when ...

Exponential Change



- ☐ The number of Internet Connections
- ☐ The Information Explosion
- ☐ The number of Mobile Devices
- ☐ The number of Genes Sequenced
- ☐ Nanotechnology
- ☐ Biotechnology
- ☐ Solar technology
- ☐ The Internet of Things
- ☐ Human Population
- ☐ The list goes on

Assembly•Cobol•OOP•OOAD•Distr.Objects•SOA/WOA } CLOUD
TheComputer•Mainframe•Mini•PC•Client/Server•Internet•Web }

Knee



A HUFFINGTON POST MEDIA GROUP PUBLICATION

A People's History of the

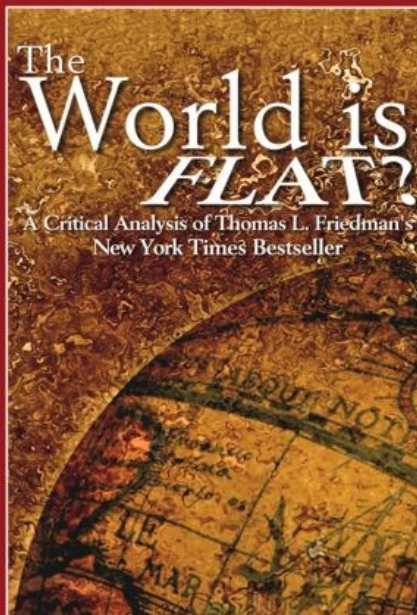
GREAT RECESSION



★★★★★★

Arthur Delaney

★★★★★★



Ronald Aronica • Mtetwa Ramdoo

The Economist

JANUARY 21ST-27TH 2012

Economist.com

How to tax the 1%

The euro: fear returns

Israel's maturing entrepreneurs

The great Mongolian goldrush

Why you should pity your boss

THE RISE OF STATE CAPITALISM

THE EMERGING WORLD'S NEW MODEL



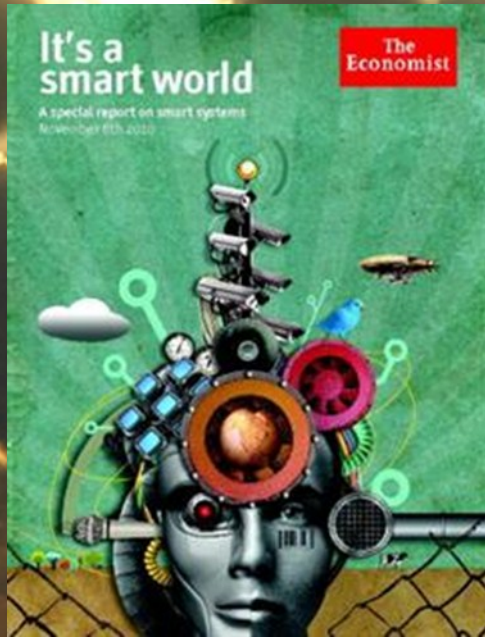


From Atoms to Bits



From Bits to Atoms

From GDP to GDE (Global Digital Economy)



Smart Everything



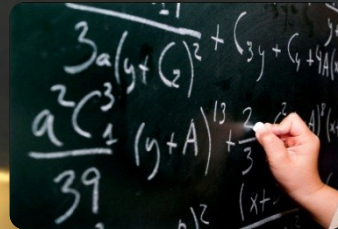
IT consumerization



**A new workforce
An old workforce**



**Work mobility & the
Hollywood model**



**Pervasive
simplification**



Innovate to zero



**Regulations &
cyber jurisprudence**



Cloud computing



**Risk & security
management**



The new normal

Change wants to happen,
Tech enables, facilitates and accelerates it...



Kevin Kelly

Predicting the next 5,000 days of the Web

What is the Cloud?



**Psst... There's no such thing!
And, you are already a pioneer
in cloud computing.**



Larry Ellison
CEO, Oracle

**“It's complete gibberish.
It's insane.**

When is this idiocy going to stop?”

Everything as a Service

SaaS

CLOUD SERVICES

Users and Producers of Unique Services
e.g., Business Organizations



CLOUD PLATFORM

Services for Developers, e.g.,
Google App. Engine,
Amazon's AWS, etc.



CLOUD COMPUTING

Infrastructure: Storage,
Networks, Servers
... as a Service

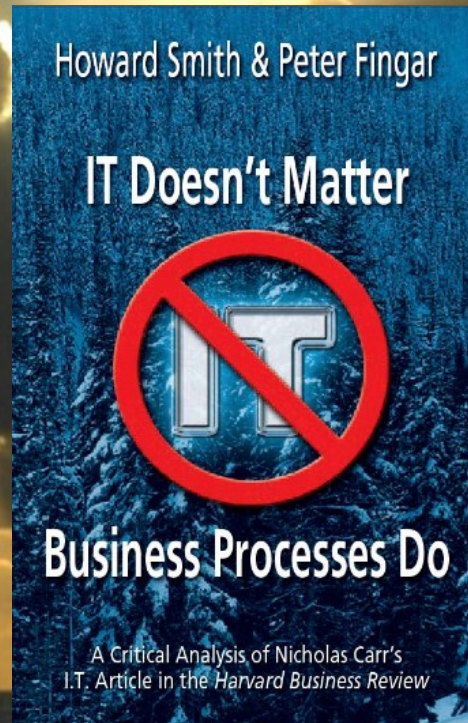
PaaS

Rapid Elasticity

IaaS

Definition in Progress

<http://csrc.nist.gov/groups/SNS/cloud-computing/index.html>



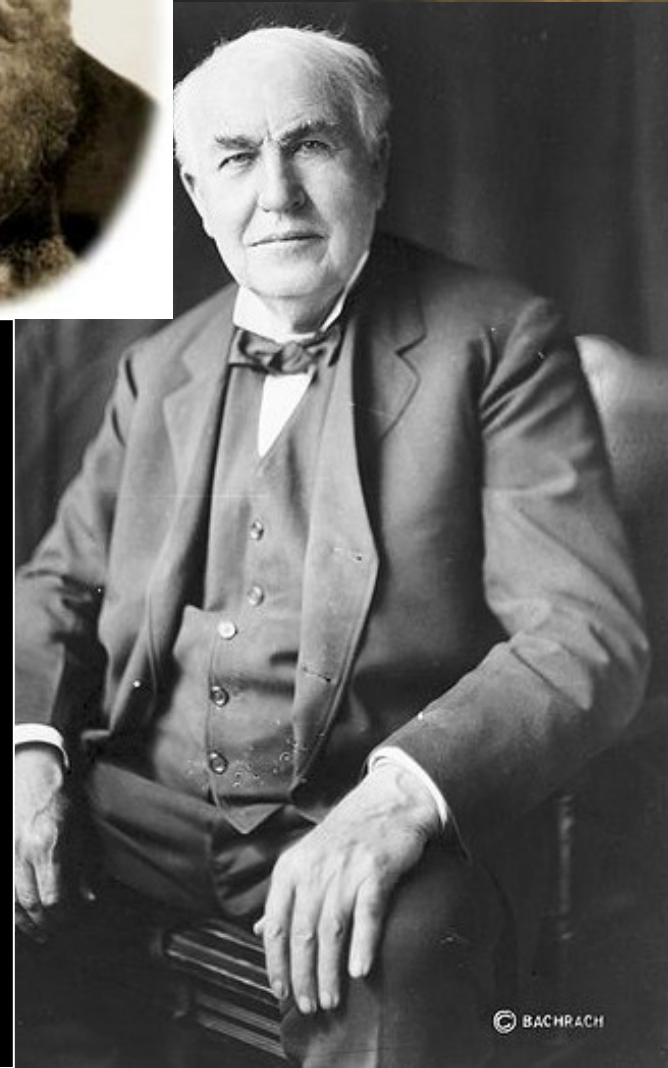
**The WOW isn't about ON-DEMAND IT,
It's about
ON-DEMAND BUSINESS INNOVATION**

What is innovation?



Joseph Swan invented the light bulb!
What Edison and his team did was to perfect the light bulb and to create demand for such a product.
It was Edison's "business innovations" that made money, not Swan's invention.

Xerox's Palo Alto Research Center (PARC) invented many of the technologies behind today's PCs and tablets (**1972 Dynabook**); it was Apple Computer that made the money. In other words, product invention is but one type of "business innovation."





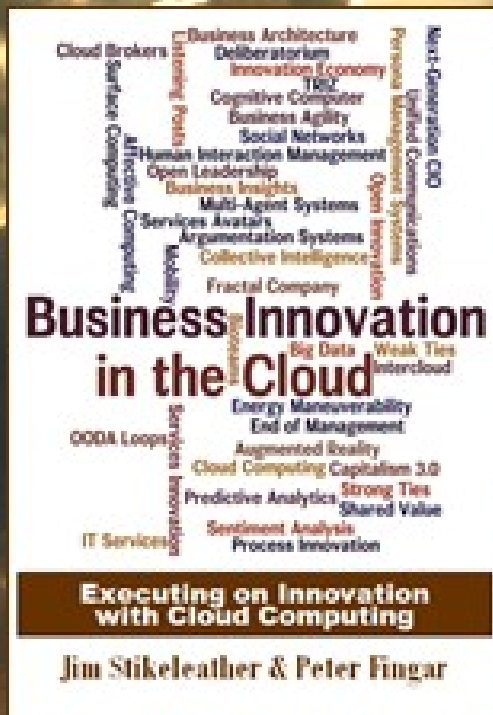
Creative Destruction 2.0 / 3.0

Joseph
Schumpeter

Entrepreneurs innovate
... not just by figuring out how to use *inventions*,
but also by introducing new means of production,
and new forms of organization.

You simply can't do these things without process innovation that
enables process collaboration across the globe, in the Cloud.

STONE SOUP

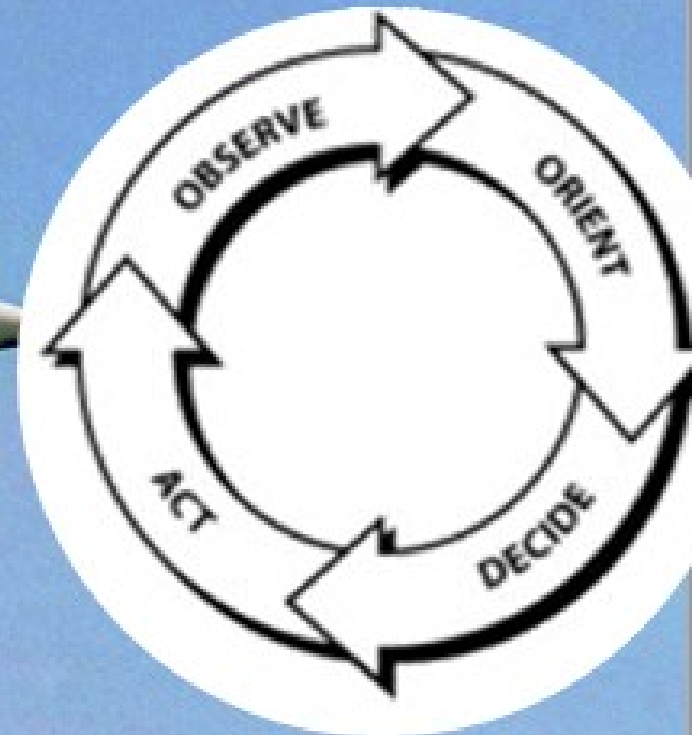


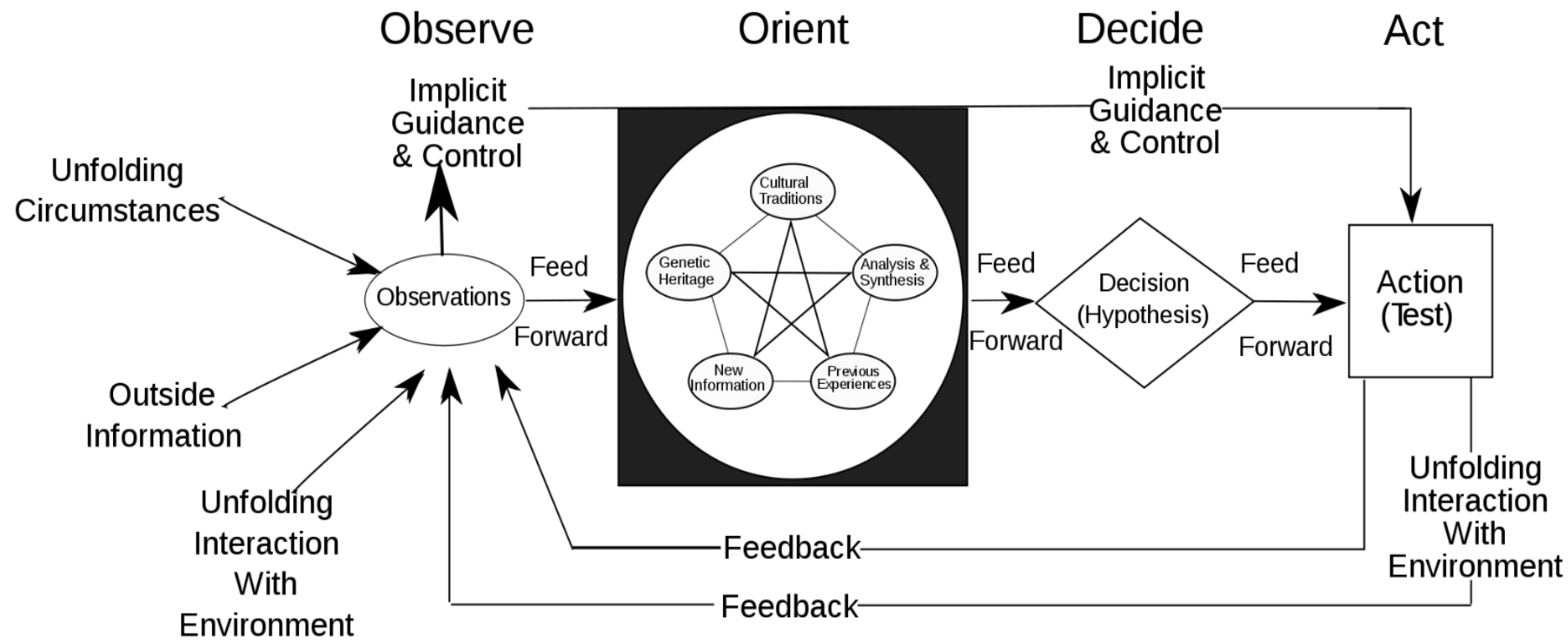
Part 2: Business Innovation Ingredients

The background of the slide is a photograph of a sunset or sunrise over a body of water. The sky is filled with dark, heavy clouds, but bright sunlight is breaking through in several places, creating a dramatic effect with rays of light. The sun is positioned near the top center, partially obscured by clouds. The water in the foreground is dark and textured with small waves. In the lower right, a small, dark silhouette of a boat is visible on the water. The overall mood is dramatic and intense.

5. Business Agility and the Dogfight in the Cloud

Energy Maneuverability and OODA Loops





John Boyd's OODA Loops

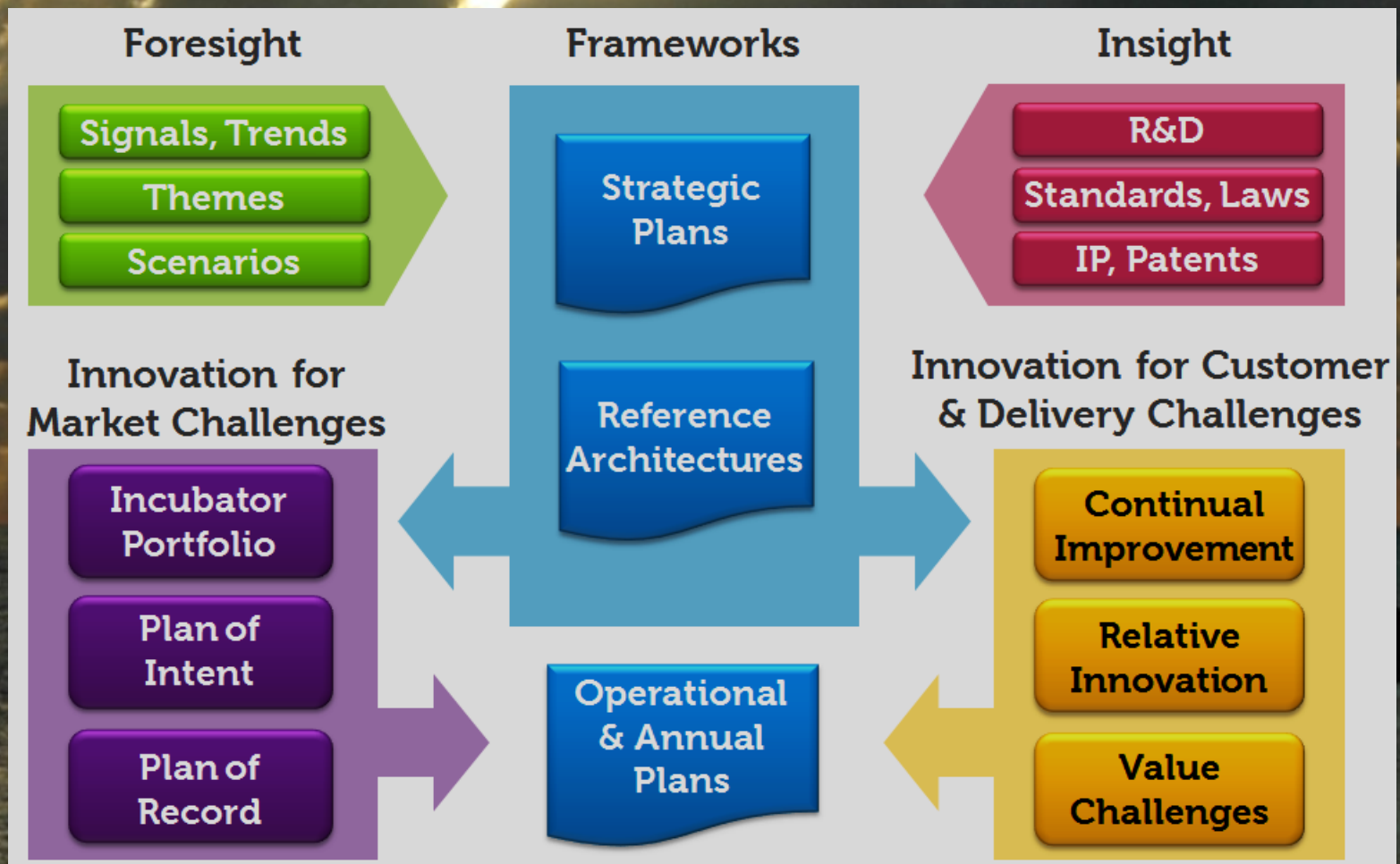
Walt Shill, former McKinsey consultant famously stated, "Strategy, as we knew it, is dead. It's now all about operational agility and how fast businesses can seize opportunities. If strategies and forecasts have to change daily or weekly, then so be it."



6. Innovating Innovation Itself

“Since innovation fails about 96% of the time, it seems self-evident that the field has advanced to about the same state as medicine when leeches, liniments and mystery potions were the sophisticated treatments of the day.” —Larry Keeley, Doblin

An Architecture for Innovation



An Architecture for Innovation

A dramatic sunset or sunrise over the ocean. The sky is filled with dark, heavy clouds, with bright sunlight breaking through in several places, creating rays of light. The sun is low on the horizon, casting a golden glow. The ocean is dark and calm, with a small boat visible in the distance. A rocky island or headland is silhouetted against the horizon on the right side.

7. Open Innovation: Cast a Wide Net

Weak Ties and The New Polymaths



Open Innovation

No longer can companies win the innovation arms race from the inside-out (internal R&D).

Instead they should turn the table to
outside-in innovation.



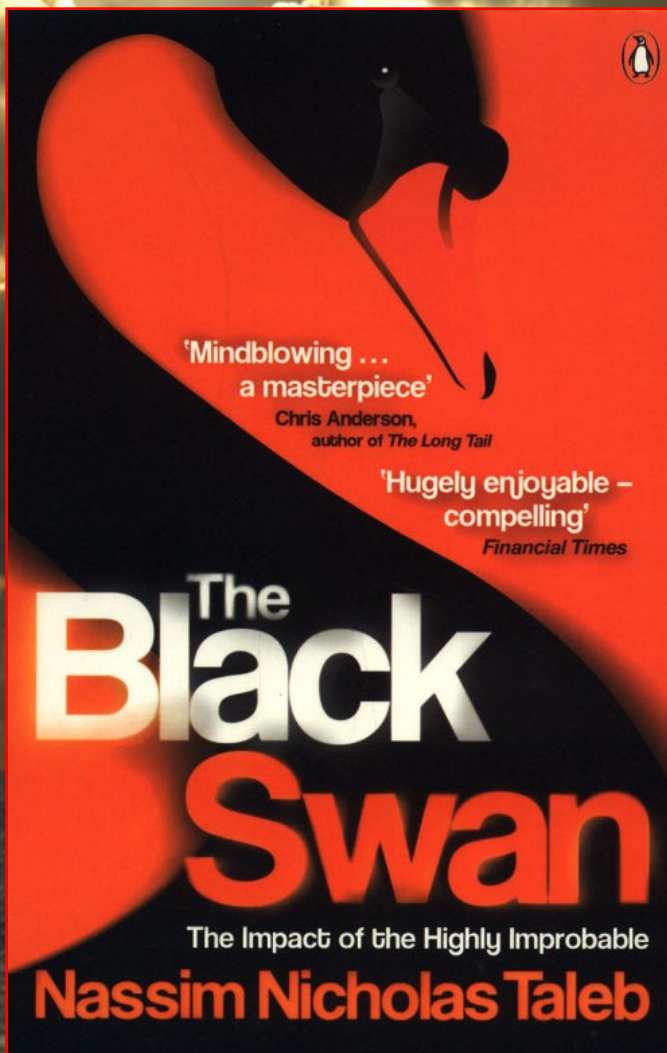
The Strength of Weak Ties and The MITH Myth

“The mind extends out into the world.
We use intelligence to structure our environment
so we can succeed with less intelligence.”

-- A. Clark

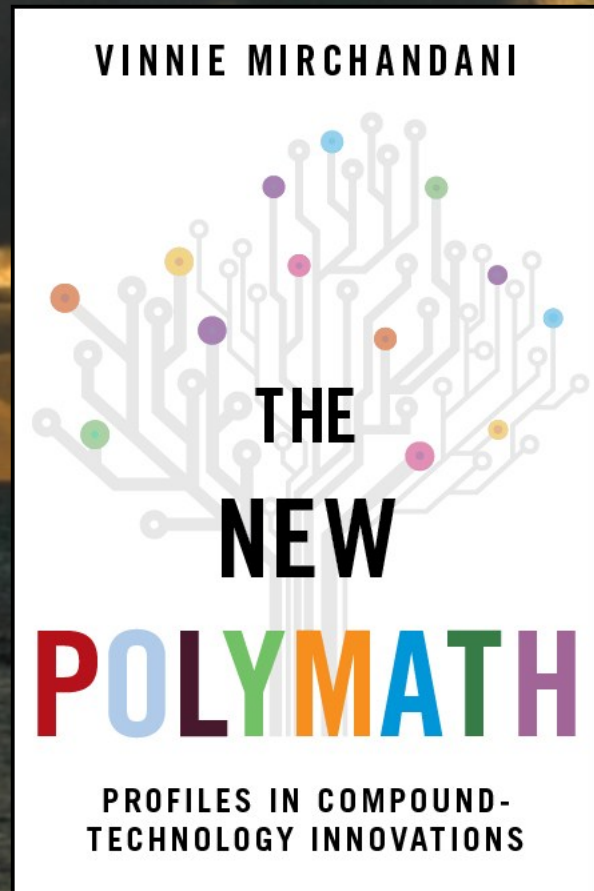
Read: Social Networks, Innovation and the MITH Myth

<http://tinyurl.com/33tk93n>

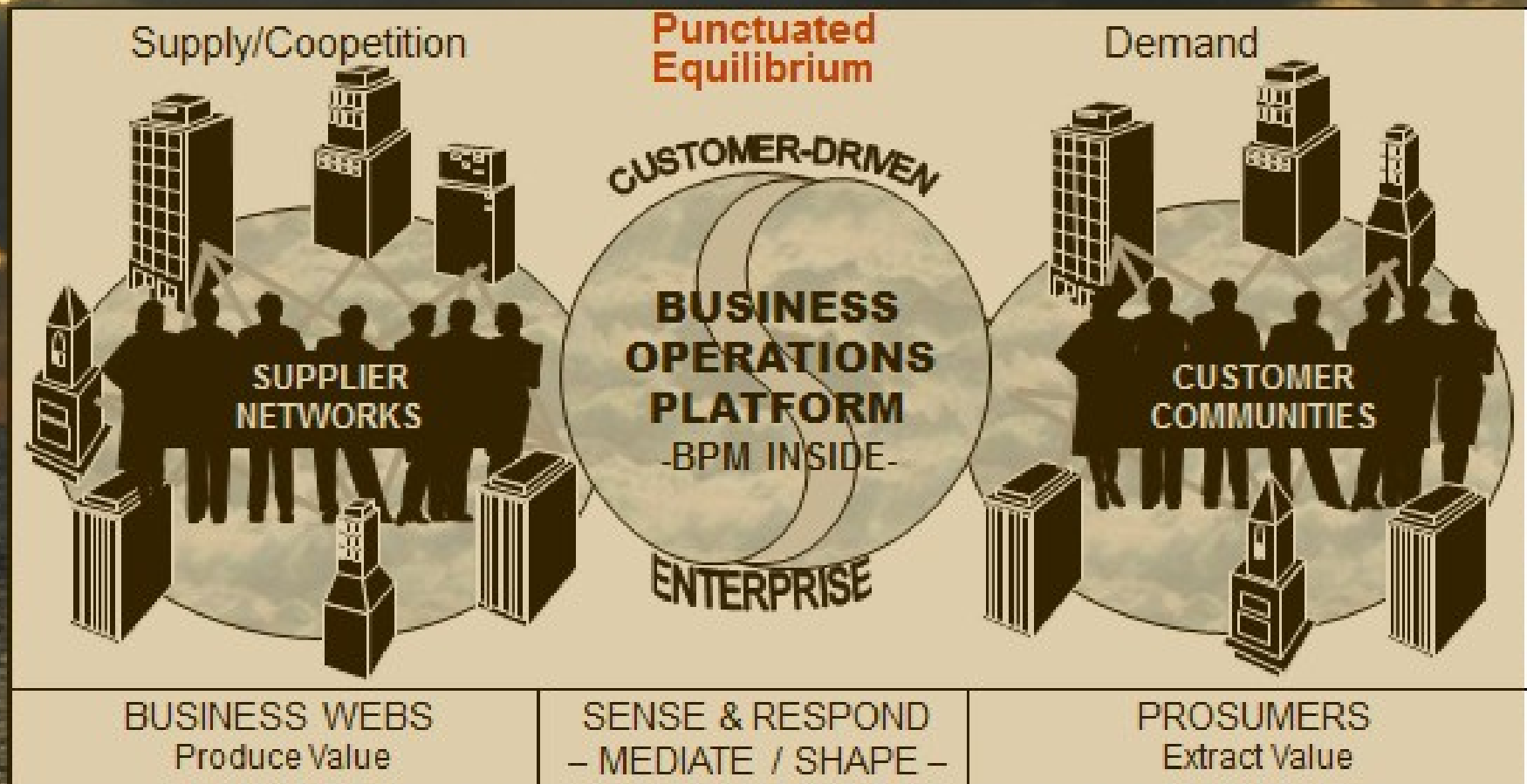


"History does not crawl, it jumps."

Our assumptions grow out of the bell-curve predictability while our world is really shaped by wild powerlaw swings.



Customer-Driven Innovation

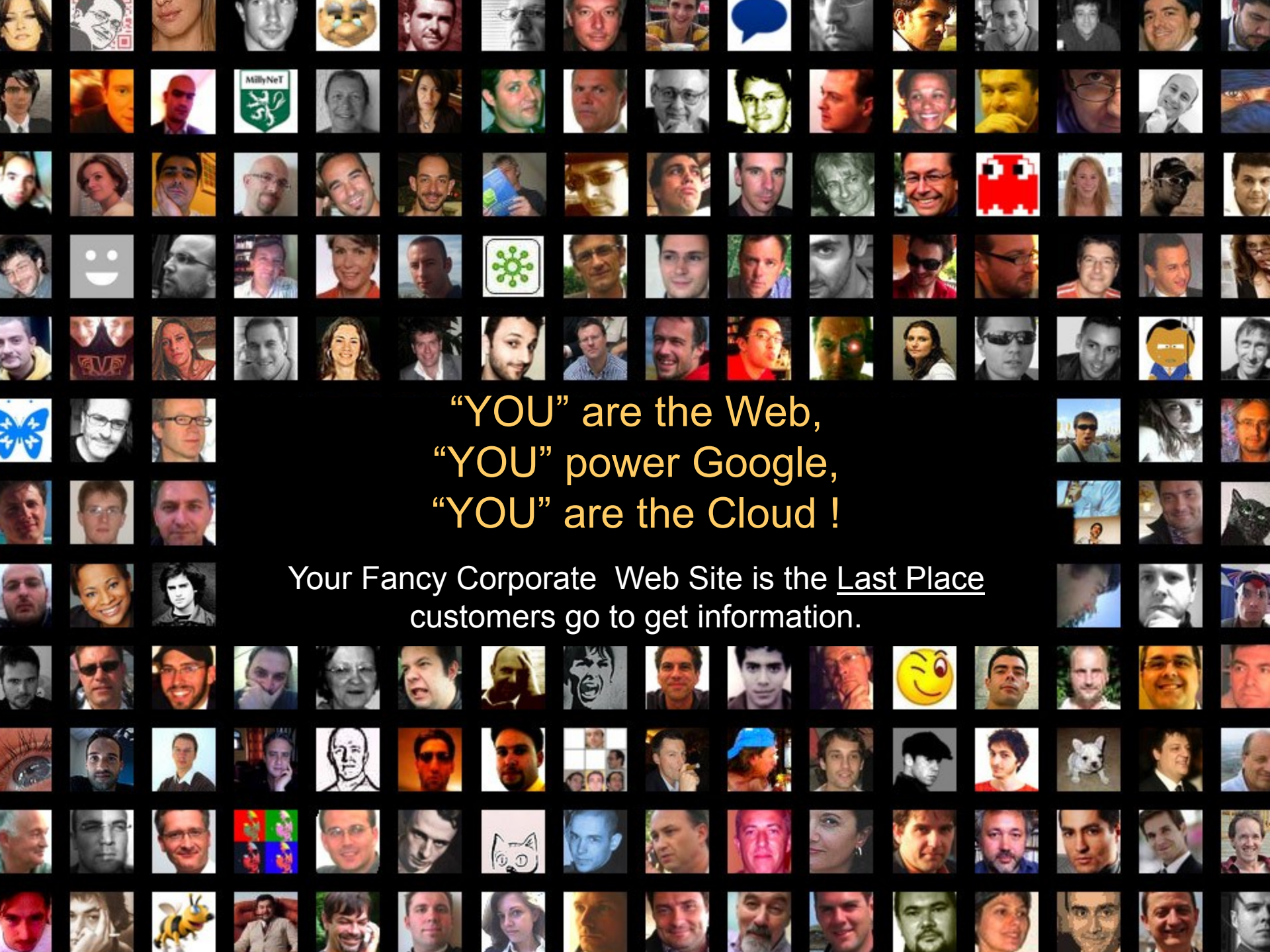


Your company will cease to be a seller and instead become a buyer for your customers.

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8. Innovation and Social Networks

Listening Posts, Predictive Analytics and
Persona Management Systems



“YOU” are the Web,
“YOU” power Google,
“YOU” are the Cloud !

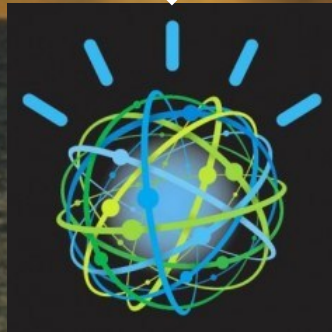
Your Fancy Corporate Web Site is the Last Place
customers go to get information.

Social Networks

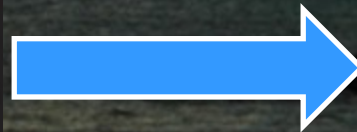


Gatorade: Mission Control

Listening Posts



Predictive Analytics

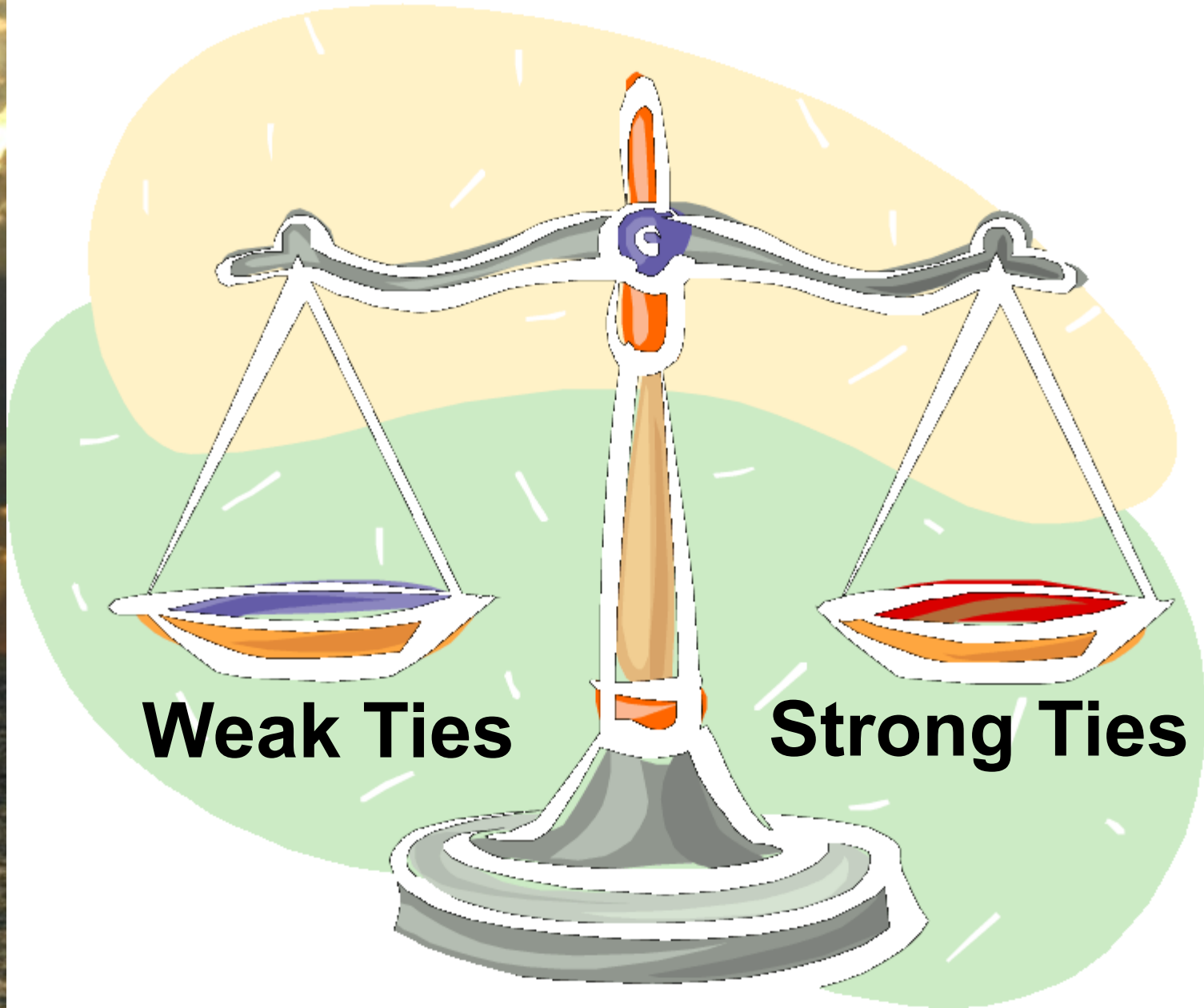


Persona Management Systems
Sockpuppets, Trolls and Drones

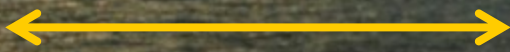
9. Collective Intelligence: The Deliberatorium and Argumentation Systems



Noise vs. Signal



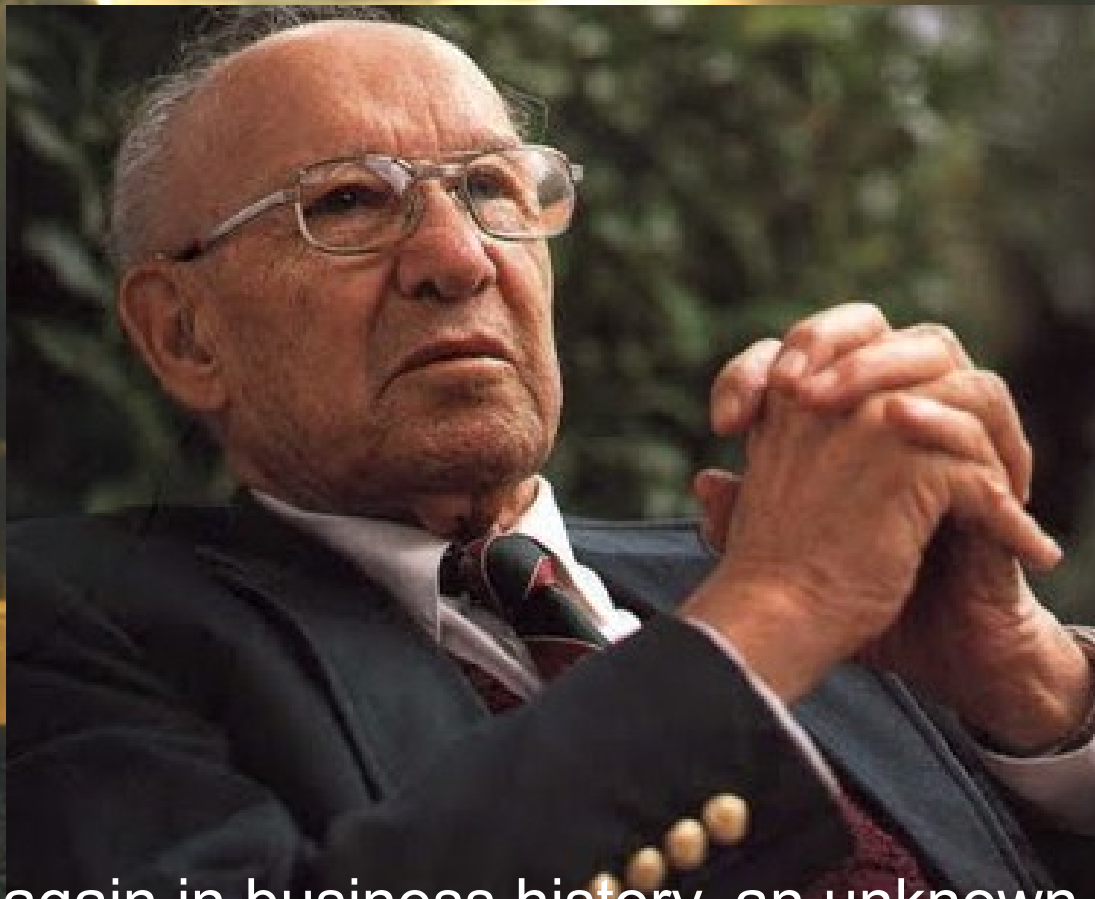
Discover



Execute

10. Business Process Innovation in the Intercloud

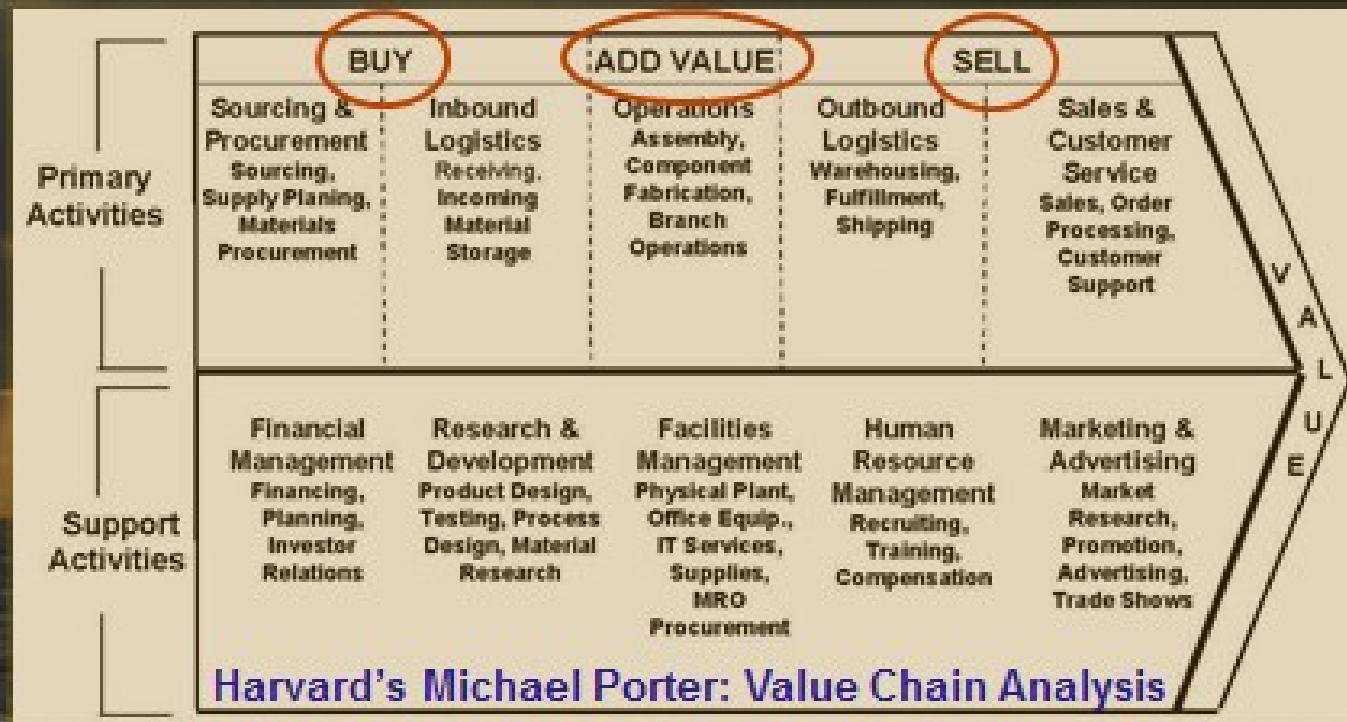




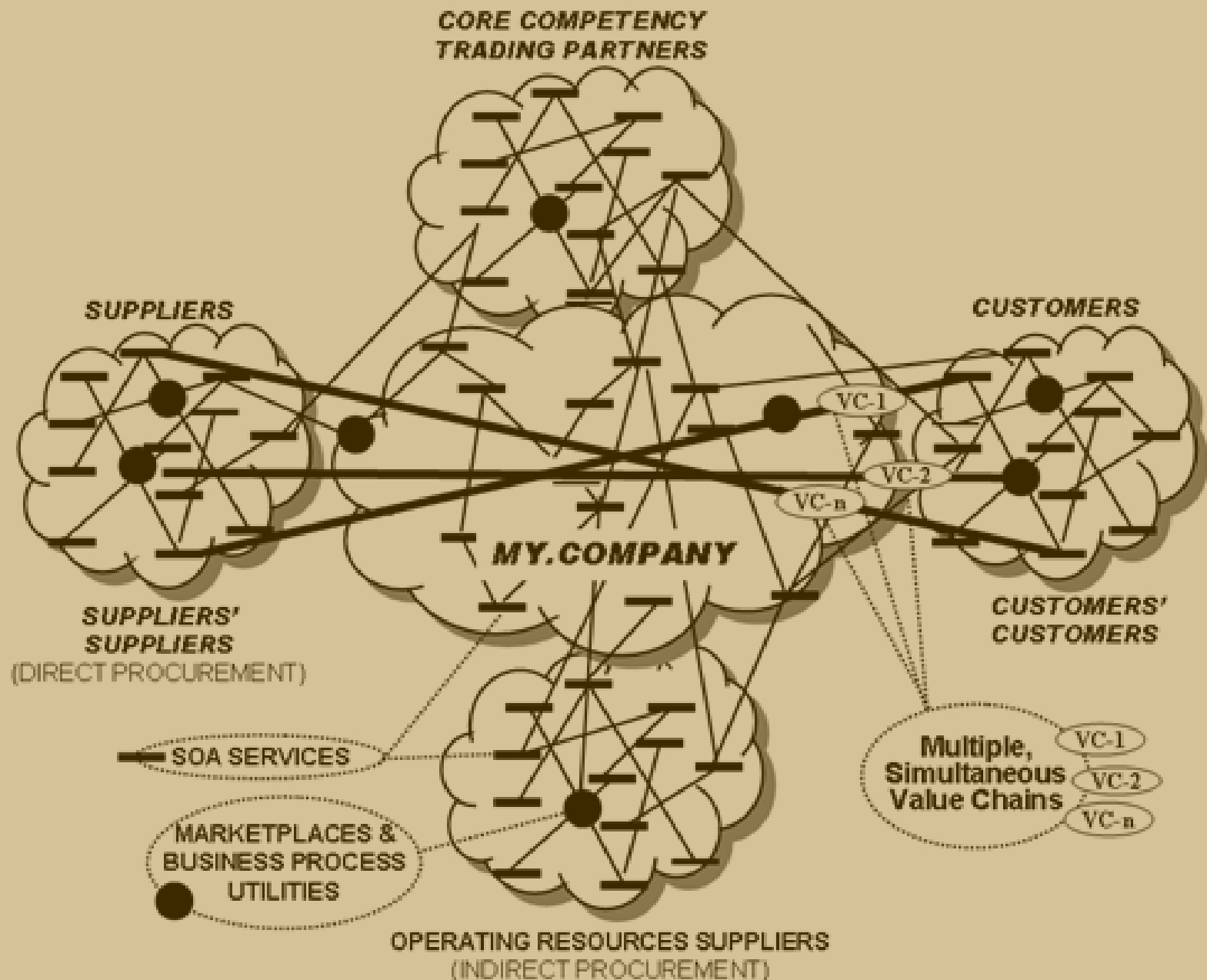
Again and again in business history, an unknown company has come from nowhere and in a few short years has overtaken the established leaders without apparently even breathing hard.

The reason is always the same:

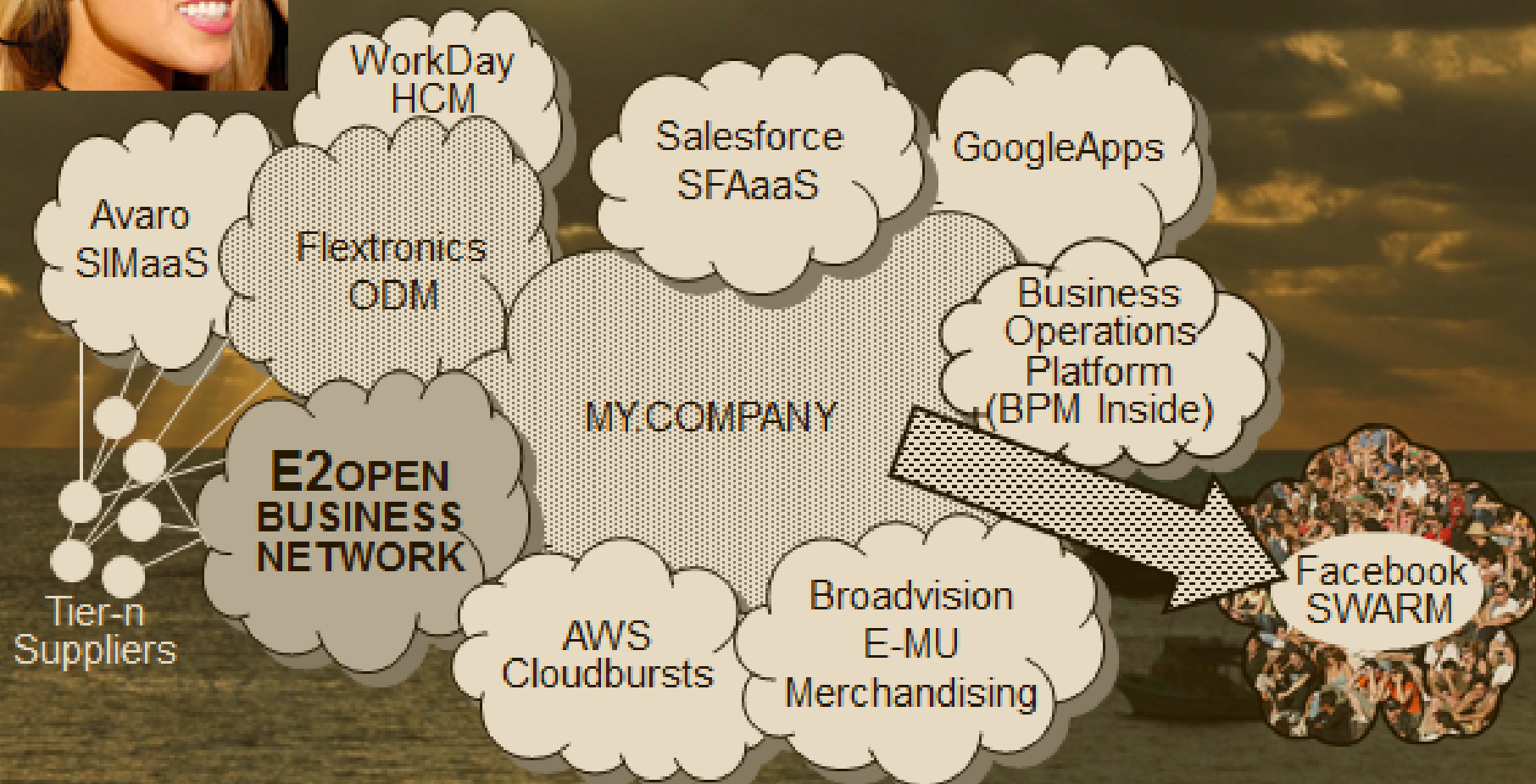
the new company knows and manages the costs of the entire economic [value] chain rather than its costs alone.



The days of the monolithic, vertically-integrated company, owning everything from raw materials to production to selling, ... are over!




Where did Michael Porter's big fat arrow go?



Taking business process management (BPM) into the Cloud will allow a company to create a Multi-Company Business Operations Platform, a Business Operating System that gives the entire ecosystem a step-change in agility and competitive advantage.

<http://tinyurl.com/yhob73y>

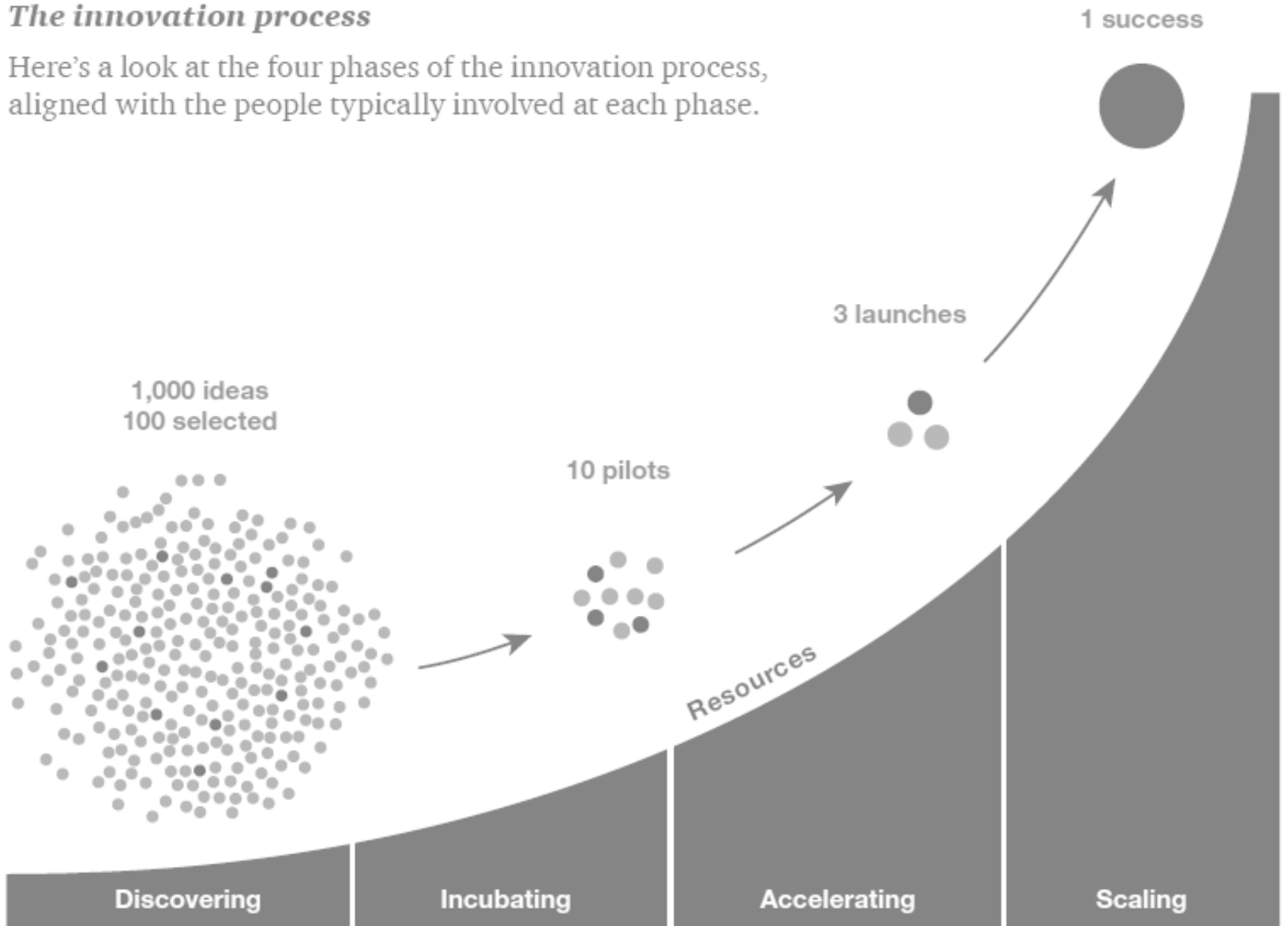
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11. Business Innovation: Culture and the Process

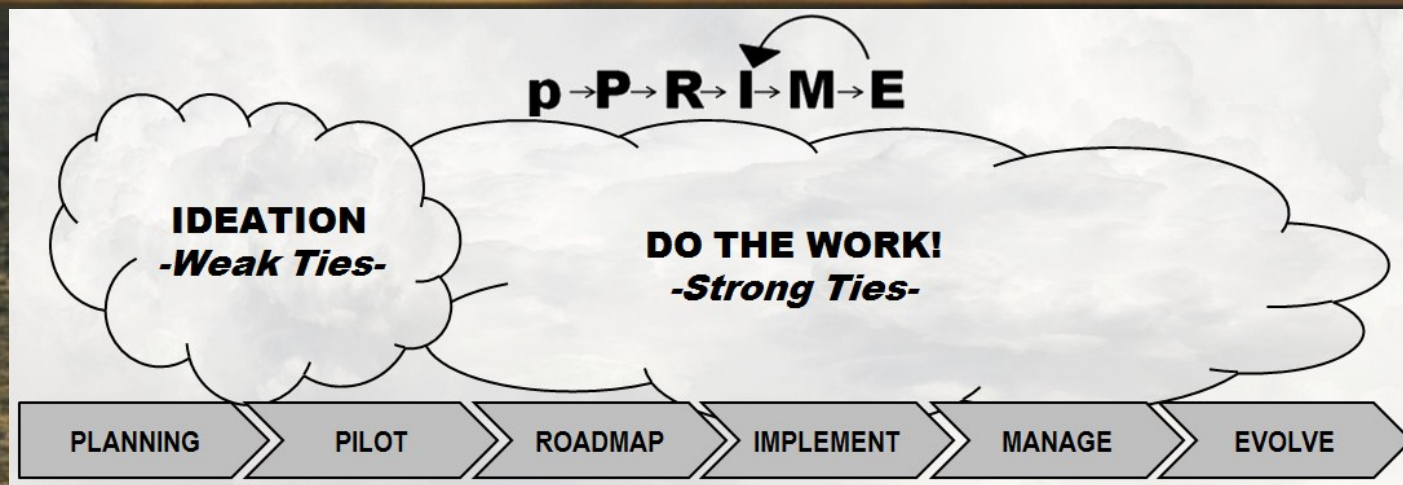
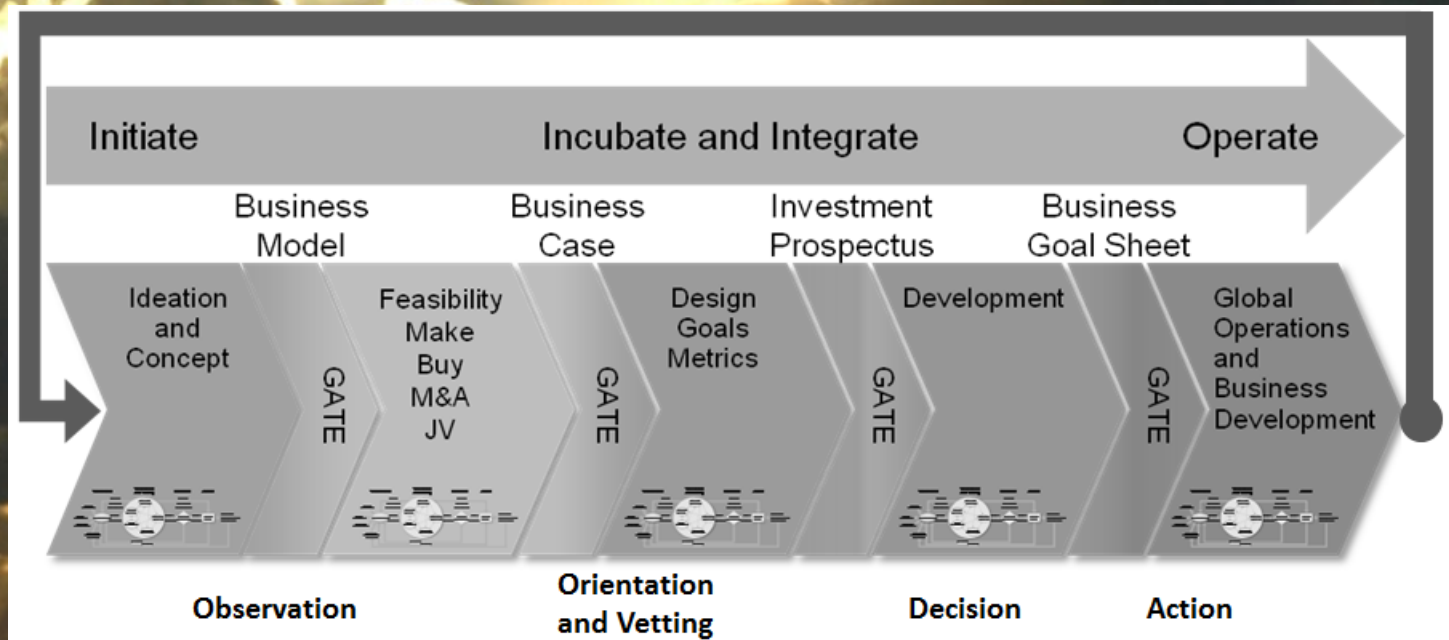
Plan of Intent (Observe and Orient)
Plan of Record (Decide and Act)

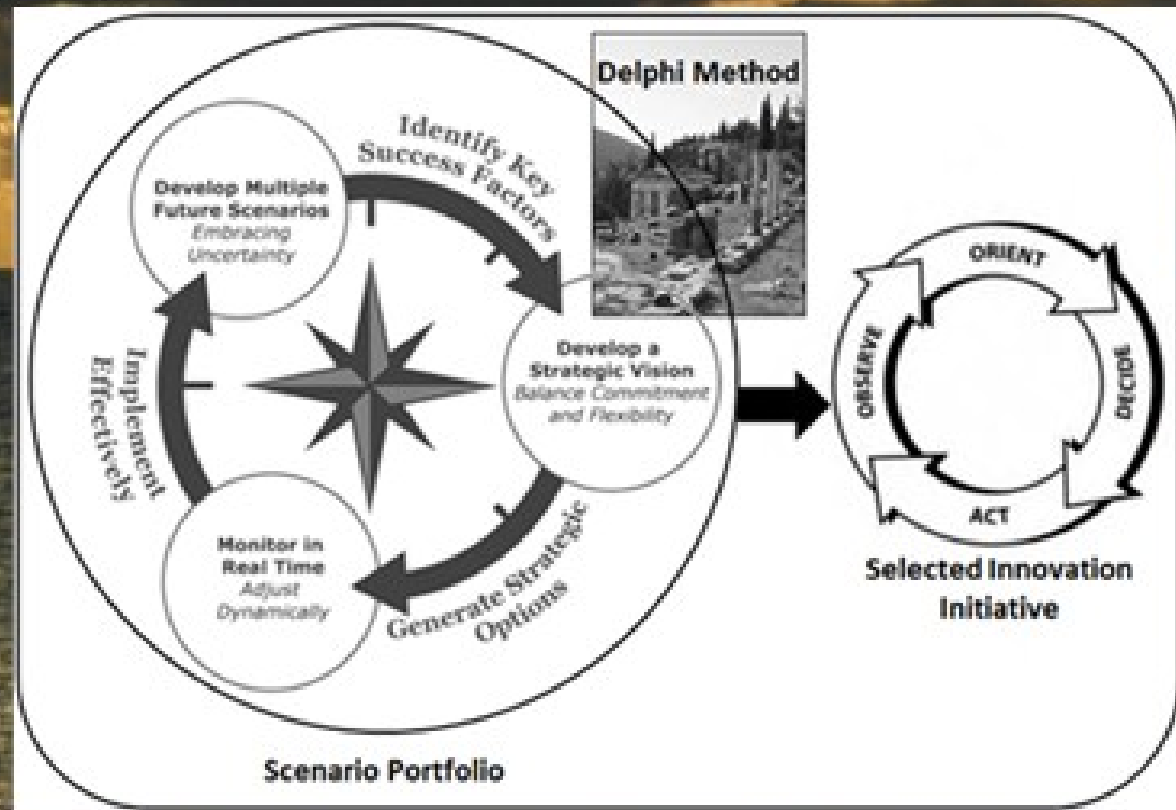
The innovation process


Here's a look at the four phases of the innovation process, aligned with the people typically involved at each phase.



Phase/Outcomes	OI Techniques	Examples
Phase: Generate Ideas		
• Concepts & ideas	• Source to communities	• Cisco crowdsourcing
• Components	• Acquire from idea markets	• yet2.com
• Patterns	• Web-based pattern seeking	• Social network analysis
Phase: Evaluate & Select ideas		
• Prototyping	• Acquire prototypes; scale up	• P&G entrepreneur network
• Comment, extend	• Participants review, rank	• Lego User Group
• Rank, vote, select	• Use prediction markets	• Best Buy Prediction Markets
Phase: Develop & Implement		
• Co-develop	• Partner to develop	• Co-research on Alzheimers
• Outsource	• Source full development	• InnoCentive challenges
	• Source key components	• TopCoder ESPN Challenge
• License IP to others	• License solution/components	• Xerox PARC





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12. Innovation is a Team Sport: Play it to Win

Collaboration, Strong Ties and the New IT Stack

**Productivity
Plus
Mastery of
Exceptions
and the
Unpredictable**

Modern Business Systems

**Built for
Change**

**Systems for
People**

**Process
Processing**

Work Management Systems

Human Interaction Management

Content Management / Shared Workspaces

Case Management

Business Process Management / Workflow

Service Orchestration

Infrastructure and Interfaces

Platform as a Service

Software as a Service

Service Oriented Architecture

Legacy Business Systems

**Built to
Order**

**Systems of
Record**

**Data
Processing**

13. Big Data and Predictive Analytics



The background of the slide is a photograph of a sunset or sunrise over the ocean. The sky is filled with dark, heavy clouds, but bright sunlight is breaking through in several places, creating a dramatic effect with rays of light. The sun is low on the horizon, and its light reflects on the water. In the foreground, the ocean is dark and calm. To the right, there is a small boat on the water. Further back, there are dark, jagged rocks or a small island. The overall mood is contemplative and powerful.

14. The End of Management —As We Know It

From Command-and-Control
to Connect-and-Collaborate

"A remarkable book..." Warren Bennis

THE END OF MANAGEMENT

AND THE RISE OF ORGANIZATIONAL DEMOCRACY

KENNETH CLOKE & JOAN GOLDSMITH

And the rise of

High performance teams based on
nature's most successful designs

BIOTEAMS

Ken Thompson

If you are looking for the book that describes the
radical new model for teams in today's world—this is it!
—Toby Coppel, Managing Director of Yahoo! Europe

Management Innovation

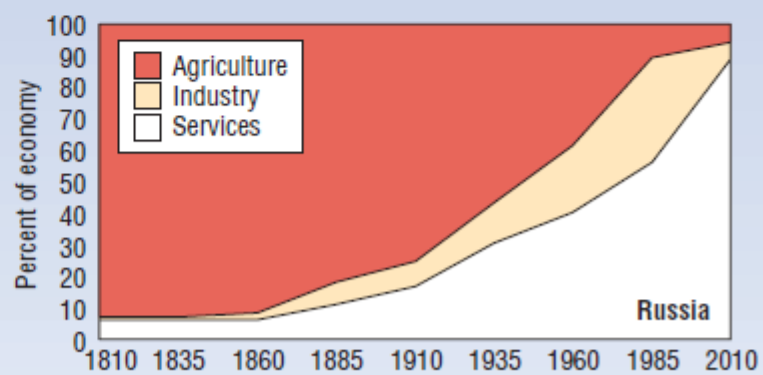
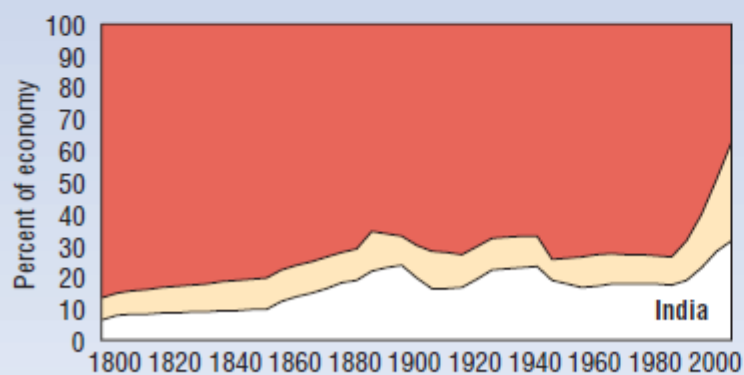
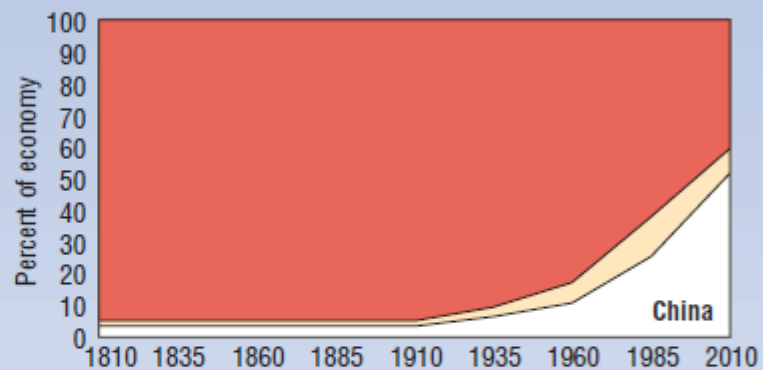
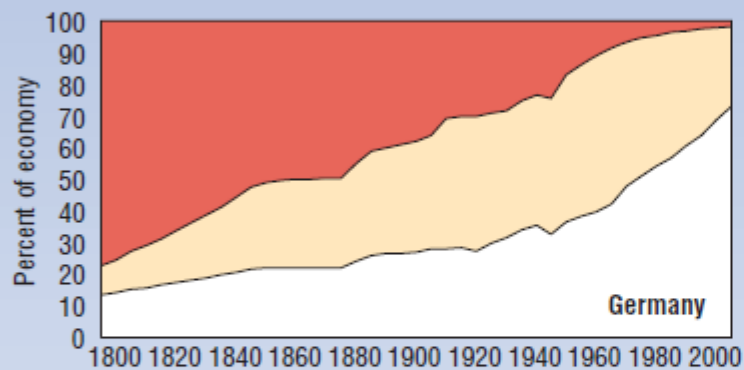
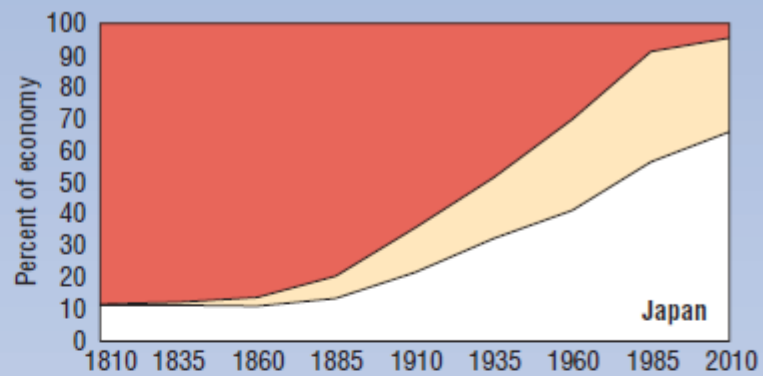
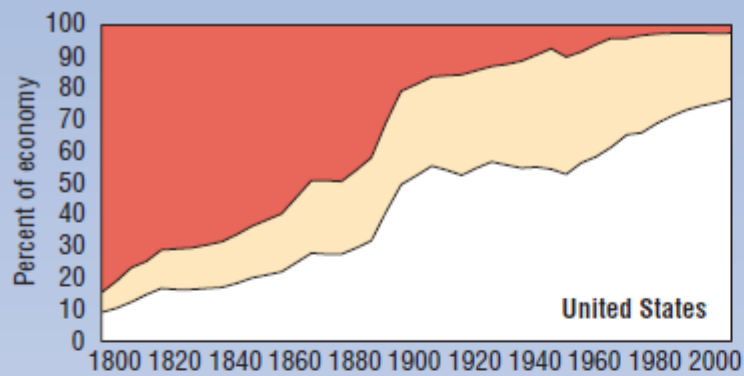
From Command-and-Control
To Connect-and-Collaborate

Transparency
becomes the invisible hand of
management control



15. Services Innovation






Source: IBM

Figure 1. Services represent a growing segment of the developed and developing worlds' economies.



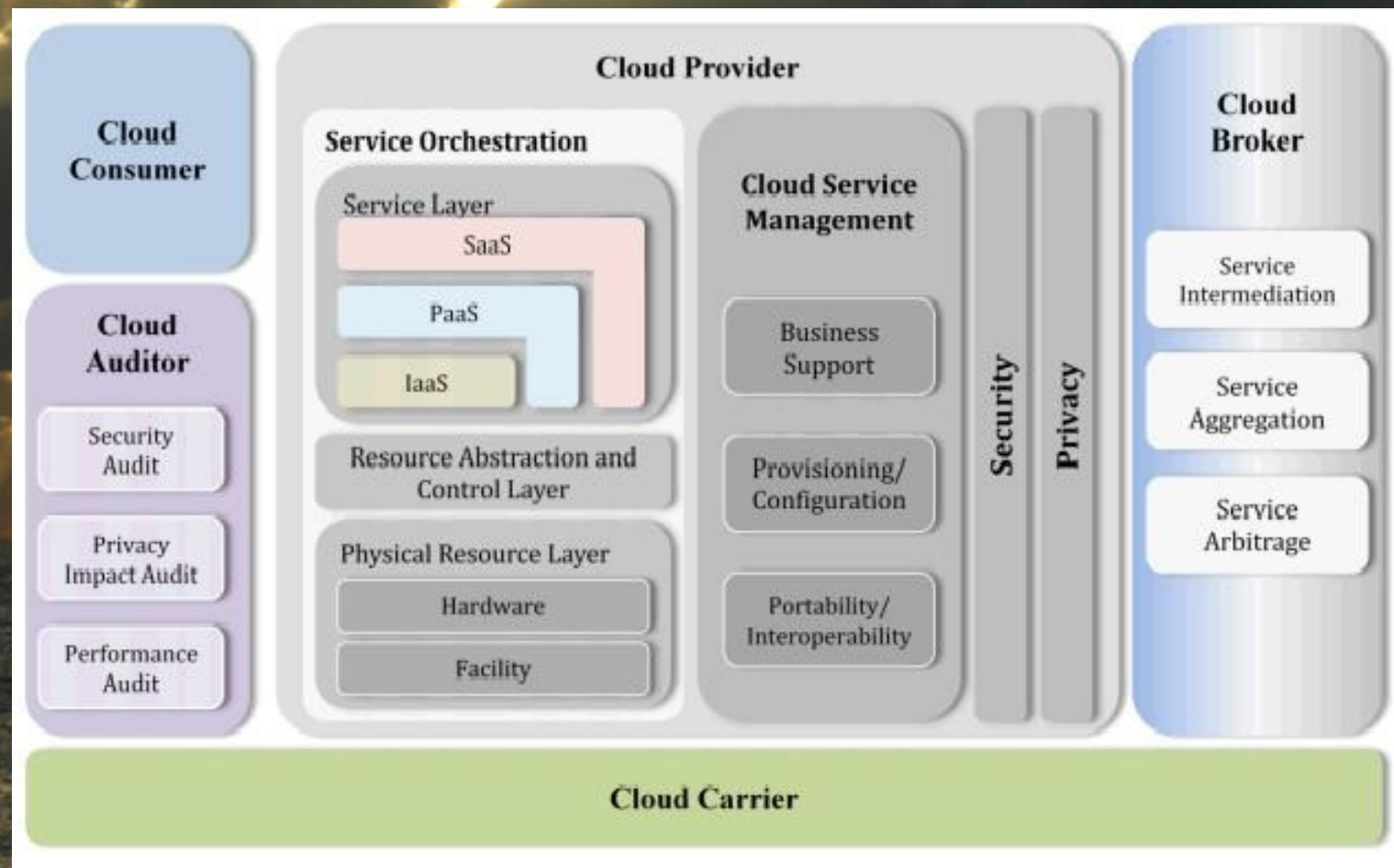
The most dangerous man in America!

tinyurl.com/7ljgbfj

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16. Who You Gonna Call? The Future of IT Services

The Rise of the Cloud Broker



A dramatic sunset or sunrise over the ocean. The sky is filled with dark, heavy clouds, with bright sunlight breaking through in several places, creating rays of light that illuminate the scene. The sun is low on the horizon, casting a warm, golden glow. In the foreground, the dark, choppy surface of the ocean is visible. A small boat is silhouetted against the water in the lower right. In the background, a dark, rocky coastline is visible under the dramatic sky.

17. The Future of the CIO

Setting the Stage for a CIO rEvolution

Whither the CIO? *

What happens to the CIO when companies are turned Upside-Down and Outside-In?



Setting the Stage for a CIO rEvolution.

From compliance to cloud computing, from budget cuts to Social Networks and business innovation: **it is clear that the CIO is living in turbulent times.** What will be on the CIO's agenda ahead? Will there actually be a CIO in the future?

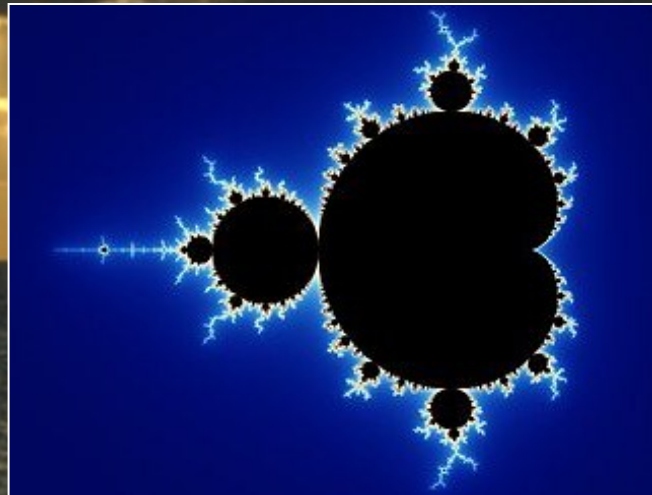
- CPO - Chief Process Officer?
- CCO - Chief Cloud Officer?
- CDO - Chief Digitization Officer?
- CDC - Chief Dot Connector?
- **CEO - Chief Executive Officer?**



* <http://tinyurl.com/38o3rut>

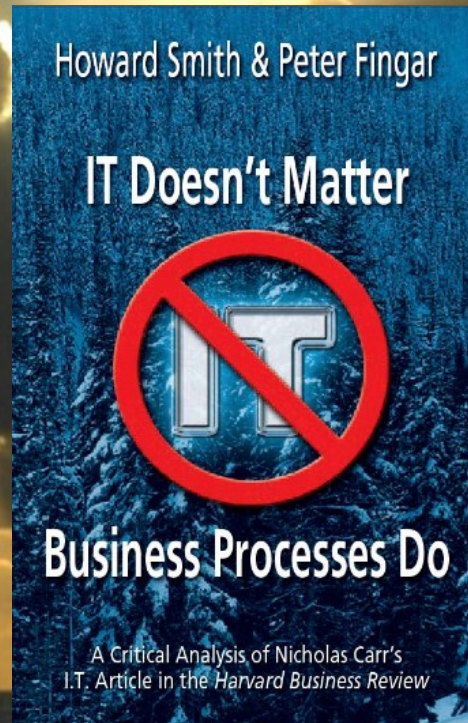
18. The Fractal Company

Fractal Enterprise Architecture
Autonomous Intelligent Agents



Get Fractal,
Think Extropy — the complement of entropy.
The self-organized ability of the world to build,
and re-build itself.

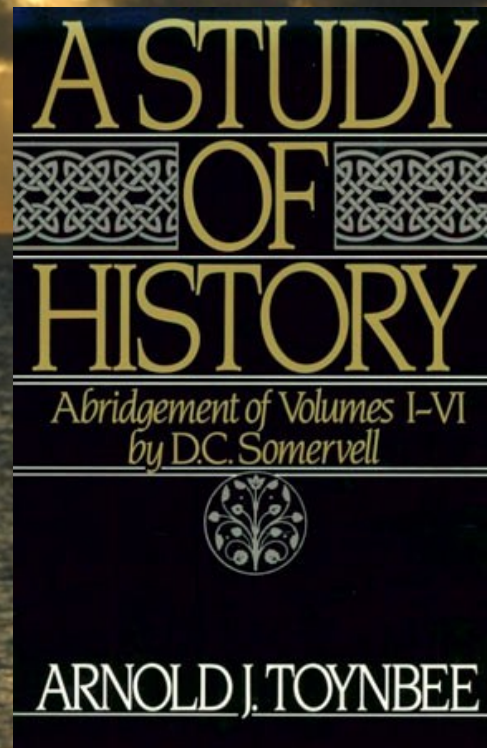
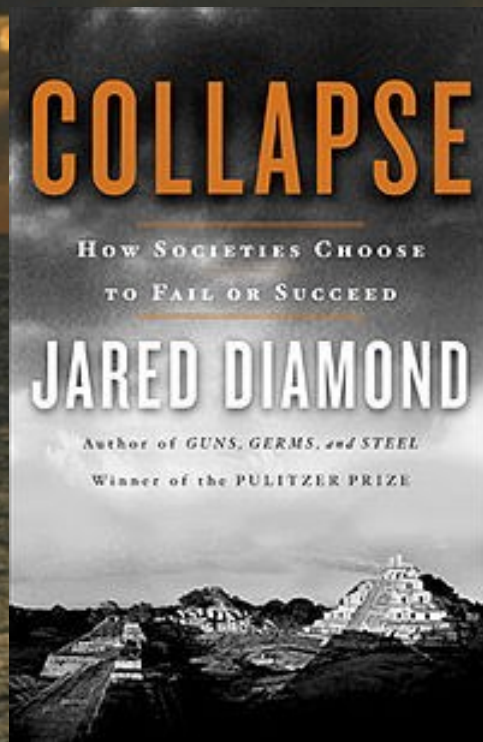
Fractal Enterprise Architecture
<http://tinyurl.com/24chbk4>



**The WOW isn't about ON-DEMAND IT,
It's about
ON-DEMAND BUSINESS INNOVATION**

Let No Collapse Go To Waste

Creative Minority → Dominant Minority



tinyurl.com/867vo4z



Adjiedj Bakas, Trendwatcher and author,
Beyond The Crisis: The Future of Capitalism

“The Chinese word for ‘crisis’
consists of two characters:
‘danger’ and ‘opportunity’.
Out of the ashes of the current economy
a renewed one will arise.”



Lead, follow, or get out of the way.

Yesterday the Internet
Today the Intercloud

Prosumers
Collaborative Consumption
Co-Creating Value
Customer as Dictator



Agile Extended Enterprise Dynamic Business Processes and Human Interaction Management



**Social
Networks**



**Demand-Supply
Chain
Business
Networks**



**Distributed
Business
Rules
Management**



**Next-
Generation
Analytics**



**Capability
Management**



**Innovation
Management**
Weak and
Strong Ties

Service-Oriented Architecture (SOA)

Legacy Assets and Current Business Operations

Information Technology (IT)

Tomorrow

Tension

Present



“The best way predict the future is to create it.”

—Peter Drucker



What can be done in the Cloud, will be done.
Will you be the doer, or the one done in?



Peter Fingar
www.peterfingar.com
pfingar@acm.org

Thank you!